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1	KAMALA D. HARRIS Attorney General of California	CALLINATION OF THE PROPERTY OF
2	FRANK H. PACOE Supervising Deputy Attorney General	a mischini de chishis
3	BRETT A. KINGSBURY  Deputy Attorney General	THUS US WOT A DUSCUPLUMAN DECUSION  OF THE BOARD
4	State Bar No. 243744 455 Golden Gate Avenue, Suite 11000	THE WAS LEGISLATION OF THE PROPERTY OF THE PRO
5	San Francisco, CA 94102-7004 Telephone: (415) 703-1192	Thille TON OF Thille
6	Facsimile: (415) 703-5480  Attorneys for Complainant	THIS US WOT A DUSCUPLUMAND DECUSION OR THE BOARD
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8	BEFORE THE CALIFORNIA BOARD OF ACCOUNTANCY DEPARTMENT OF CONSUMER AFFAIRS	
.9	STATE OF CONSOMER AFFAIRS	
10	In the Metter of the Acquestion Accinete	C N- AC 2011 C
11	In the Matter of the Accusation Against:	Case No. AC-2011-5
12	ANDREW KEEDUCK JEAN 763 Blairwood Court	
13	San Jose, CA 95120 Certified Public Accountant Certificate No.	ACCUSATION
14	41201	
15	Respondent.	
16	Complainant alleges:	
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18	PARTIES  1. Parti Partin (IIC) 1. (II) 1. (II) 1. (II) 1. (II) 1. (III) 1. (IIII) 1. (III) 1. (III) 1. (III) 1. (III) 1. (III) 1. (III) 1. (IIII) 1. (IIIII) 1. (IIII) 1. (IIIII) 1. (IIII) 1. (IIIII) 1. (IIII) 1. (IIIII) 1. (IIIII) 1. (IIII) 1. (IIII) 1. (IIIII) 1. (IIIII) 1. (IIII	
19	1. Patti Bowers ("Complainant") brings this Accusation solely in her official capacity as	
20	the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.	
21	2. On or about October 12, 1984, the California Board of Accountancy issued Certified	
22	Public Accountant Certificate Number 41201 to Andrew Keeduck Jean ("Respondent"). The	
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**JURISDICTION** 

3. This Accusation is brought before the California Board of Accountancy ("Board"), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

# STATUTORY AND REGULATORY AUTHORITY

4. Section 5100 of the Code states:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

"...

"(g) Willful violation of this chapter or any rule or regulation promulgated by the board under the authority granted under this chapter.

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- 5. Section 5061 of the Code states:
- "(a) Except as expressly permitted by this section, a person engaged in the practice of public accountancy shall not: (1) pay a fee or commission to obtain a client or (2) accept a fee or commission for referring a client to the products or services of a third party.
- "(b).... Nothing in this subdivision shall be construed to permit the solicitation or acceptance of any fee or commission solely for the referral of a client to a third party.

"....

"(d) A person engaged in the practice of public accountancy who is not prohibited from performing services for a commission, or from receiving a commission, and who is paid or expects to be paid a commission, shall disclose that fact to any client or entity to whom the person engaged in the practice of public accountancy recommends or refers a product or service to which the commission relates.

"(f) For purposes of this section, 'fee' includes, but is not limited to, a commission, rebate, preference, discount, or other consideration, whether in the form of money or otherwise.

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- 6. Section 5062 of the Code states: "A licensee shall issue a report which conforms to professional standards upon completion of a compilation, review or audit of financial statements."
- 7. California Code of Regulations, Title 16, section 56, provides various additional disclosure requirements for licensees that accept a fee or commission.
- 8. California Code of Regulations, Title 16, section 58, provides that "licensees engaged in the practice of public accountancy shall comply with all applicable professional standards, including but not limited to generally accepted accounting principles and generally accepted auditing standards."

#### PROFESSIONAL STANDARDS

9. The American Institute of Certified Public Accountants' (AICPA's) Statements on Standards of Accounting and Review Services (SSARS) § 100, along with subsections thereof, provide guidance regarding the applicable accounting standards related to issuance of a report with a compilation of financial statements. Particularly relevant within § 100 are subsections 100.01, 100.13, 100.15, 100.24, 100.25, and 100.26.

### **COST RECOVERY**

10. Section 5107(a) of the Code states:

"The executive officer of the board may request the administrative law judge, as part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate found to have committed a violation or violations of this chapter to pay to the board all reasonable costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

#### FIRST CAUSE FOR DISCIPLINE

(Accepting Fee or Commission Without Proper Disclosure)

11. Respondent is subject to disciplinary action under §§ 5100(g) and 5061 of the Code, and Title 16, section 56 of the California Code of Regulations, in that Respondent accepted a fee

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on for referals to products or services of a third person without making appropriate Specifically, throughout 2005-2008, Respondent received roughly \$114, 928.60 for nts to SNC Asset Management Inc. and/or SNC Investments, Inc. (collectively made no related disclosures.

## SECOND CAUSE FOR DISCIPLINE

(Issuance of Financial Statements Without Accompanying Report)

respondent is subject to disciplinary action under §§ 5100(g) and 5062 of the Code, section 58 of California Code of Regulations, in that Respondent failed to issue compilation and issuance of financial statements to clients. Specifically, as of 0, Respondent had a practice of issuing unaudited financial statements to clients iding either a compilation report or an engagement letter containing appropriate equired by professional standards.

#### **PRAYER**

EFORE, Complainant requests that a hearing be held on the matters herein alleged, wing the hearing, the California Board of Accountancy issue a decision:

- Revoking or suspending or otherwise imposing discipline upon Certified Public Certificate Number 41201, issued to Andrew Keeduck Jean;
- Ordering Andrew K. Jean to pay the California Board of Accountancy the reasonable nvestigation and enforcement of this case, pursuant to Business and Professions 5107;
  - aking such other and further action as deemed necessary and proper.

Executive Officer

California Board of Accountancy

Department of Consumer Affairs

State of California

Complainant

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